

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SENATE BILL 1160

AN ACT

AMENDING SECTIONS 48-707, 48-717, 48-719 AND 48-723, ARIZONA REVISED
STATUTES; RELATING TO COMMUNITY FACILITIES DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-707, Arizona Revised Statutes, is amended to
3 read:

4 48-707. Notice and conduct of elections; waiver

5 A. Any election under this article shall be a nonpartisan election
6 called by posting notices in three public places within the boundaries of the
7 district not less than twenty days before the election. Notice shall also be
8 published in a newspaper of general circulation in the municipality or county
9 or if there is no newspaper so circulated in the municipality in a newspaper
10 of general circulation in the county in which the municipality is located
11 once a week for two consecutive weeks before the election. The notice shall
12 state:

13 1. The place of holding the election.

14 2. The hours during the day, not less than six, in which the polls
15 will be open.

16 3. If it is a formation election, the boundaries of the proposed
17 district.

18 4. If it is a bond election, the amount of bonds to be authorized for
19 the district, the maximum rate of interest to be borne on the bonds, the
20 maximum term of the bonds, not exceeding twenty-five years, and the purposes
21 for which the monies raised will be used.

22 5. If it is an ad valorem tax levy election pursuant to section
23 48-723, the maximum tax rate per one hundred dollars of assessed valuation to
24 be imposed, the purposes for which the monies raised will be used and the
25 existing maximum tax rate, if any.

26 6. That a general plan is on file with the clerk.

27 B. The district board or the governing body, as applicable, shall
28 determine the date of the election and the polling places for the election
29 and may consolidate county precincts. For other than a formation election
30 pursuant to section 48-705, subsection B, and an election held pursuant to
31 subsection G of this section, precinct registers shall be used. The county
32 recorder shall submit precinct registers on the request of the clerk, and if
33 the district includes land lying partly in and partly out of any county
34 election precinct, the precinct registers may contain the names of all
35 registered voters in the precinct and the election boards at those precincts
36 shall require that a prospective elector execute an affidavit stating that
37 the elector is also a qualified elector of the district. For formation
38 elections and elections held pursuant to subsection G of this section, a
39 prospective elector shall execute an affidavit stating that the elector is
40 the owner of land in the proposed district and is a qualified elector of this
41 state or otherwise qualified to vote pursuant to section 48-3043 and stating
42 the area of land in acres owned by the elector. Election board members may
43 administer oaths or take all affirmations for these purposes. A community

1 facilities district election held pursuant to this article is not subject to
2 title 16, chapter 2, article 3.

3 C. Except as otherwise provided by this article, the election shall
4 comply with the general election laws of this state, except that the words to
5 appear on the ballots shall be for a formation election "district, yes" and
6 "district, no", for a bond election "bonds, yes" and "bonds, no", for a tax
7 election if no tax is in place "tax, yes" and "tax, no" and for a tax
8 election to change an existing maximum or eliminate an existing tax "tax
9 change, yes" and "tax change, no". The returns of election shall be made to
10 the governing body or, if after formation, to the district board.

11 D. Within fourteen days after an election, the governing body, or if
12 after formation, the district board, shall meet and canvass the returns, and
13 if a majority of the votes cast at the election is in favor of formation,
14 issuing the bonds, imposing the tax or changing the tax, the governing body
15 or the district board, as appropriate, shall enter that fact on its
16 minutes. The canvass may be continued from time to time. Failure of a
17 majority to vote in favor of the matter submitted does not prejudice the
18 submission of the same or similar matters at a later election.

19 E. If a person listed on the assessment roll is no longer the owner of
20 land in the district and the name of the successor owner becomes known and is
21 verified by recorded deed or other similar evidence of transfer of ownership,
22 the successor owner is deemed to be the owner for the purposes of this
23 article.

24 F. Notwithstanding any other provision of this article, if a petition
25 for formation is signed by owners of all of the land in the district
26 described in the petition and is approved by the municipality or county, the
27 municipality or county may waive any or all requirements of posting,
28 publication, mailing, notice, hearing and landowner election. On receipt of
29 such a petition, and after approval by an election of resident electors, if
30 any, the municipality or county shall declare the district formed without
31 being required to comply with the provisions of this article for posting,
32 publication, mailing, notice, hearing or landowner election.

33 G. Notwithstanding any other provision of this article, if no person
34 has registered to vote within the district within fifty days immediately
35 preceding any scheduled election date, any election required to be held
36 pursuant to this article shall be held with the vote by the owners of land
37 within the district who are qualified electors of this state and other
38 landowners according to section 48-3043. Each owner has the number of votes
39 or portion of votes equal to the number of acres or portion of acres rounded
40 upward to the nearest one-fifth of an acre owned in the district by that
41 person.

42 H. FOR A DISTRICT THAT IS PROPOSED TO BE FORMED BY A COUNTY FOR
43 PURPOSES OF FINANCING SCHOOL SITES AND FACILITIES, A DISTRICT MAY BE FORMED
44 ONLY IF A PETITION FOR FORMATION IS SIGNED BY THE OWNERS OF ALL OF THE LAND

1 IN THE DISTRICT THAT IS DESCRIBED IN THE PETITION AND IF IT IS APPROVED BY
2 THE COUNTY. IF THE PETITION IS SIGNED BY THE OWNERS OF ALL OF THE LAND IN
3 THE DISTRICT, THE COUNTY MAY WAIVE ANY OR ALL REQUIREMENTS OF POSTING,
4 PUBLICATION, MAILING, NOTICE, HEARING AND LANDOWNER ELECTION. ON RECEIPT OF
5 SUCH A PETITION, AND AFTER APPROVAL BY AN ELECTION OF ONE HUNDRED PER CENT OF
6 THE RESIDENT ELECTORS, IF ANY, THE COUNTY SHALL DECLARE THE DISTRICT FORMED
7 WITHOUT BEING REQUIRED TO COMPLY WITH THE PROVISIONS OF THIS ARTICLE FOR
8 POSTING.

9 Sec. 2. Section 48-717, Arizona Revised Statutes, is amended to read:

10 48-717. Finances; exception

11 ~~A. Except as provided in subsection B of this section,~~ The projects to
12 be constructed or acquired as shown in the general plan may be financed from
13 the following sources of revenue:

- 14 1. Proceeds received from the sale of bonds of the district.
- 15 2. Monies of the municipality or county contributed to the district.
- 16 3. Annual tax levies.
- 17 4. Special assessments.
- 18 5. State or federal grants or contributions.
- 19 6. Private contributions.
- 20 7. User, landowner and other fees and charges.
- 21 8. Proceeds of loans or advances.
- 22 9. Any other monies available to the district by law.

23 ~~B. A district formed by a county shall not levy an ad valorem tax~~
24 ~~pursuant to section 48-723 or issue general obligation bonds pursuant to~~
25 ~~section 48-719.~~

26 Sec. 3. Section 48-719, Arizona Revised Statutes, is amended to read:

27 48-719. General obligation bonds; tax levy

28 A. At any time after the hearing on formation of the district, the
29 district board, or, if before formation, the governing body, may from time to
30 time order and call a general obligation bond election to submit to the
31 qualified electors of the district or to those persons who are qualified to
32 vote pursuant to section 48-707, subsection G the question of authorizing the
33 district board to issue general obligation bonds of the district to provide
34 monies for any public infrastructure purposes consistent with the general
35 plan. The election may be held in conjunction with the formation election.

36 B. If general obligation bonds are approved at an election, the
37 district board may issue and sell general obligation bonds of the district.

38 C. If the bonds are to be sold in a public offering, no bonds may be
39 issued by the district unless the bonds receive one of the four highest
40 investment grade ratings by a nationally recognized bond rating agency.

41 D. The district may issue and sell refunding bonds to refund any
42 general obligation bonds of the district. If general obligation bonds are
43 issued to refund any general obligation bonds of the district no election on
44 the issuance of such refunding bonds is required.

E. After the bonds are issued, the district board shall enter in its minutes a record of the bonds sold and their numbers and dates and shall annually levy and cause an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the district, sufficient, together with any monies from the sources described in section 48-717, to pay debt service on the bonds when due. Monies derived from the levy of the tax provided in this section when collected constitute funds to pay the debt service on the bonds and shall be kept separately from other funds of the district.

~~F. A district formed by a county shall not call a general obligation bond election or issue general obligation bonds.~~

Sec. 4. Section 48-723, Arizona Revised Statutes, is amended to read:

48-723. District taxes; annual financial estimate and budget

A. ~~Except as provided in subsection D of this section and~~ At any time after the hearing on formation of the district, the district board, or, if before formation, the governing body, may call an election to submit to the qualified electors of the district or to the persons qualified to vote pursuant to section 48-707, subsection G the question of authorizing the district board to levy an ad valorem tax on the assessed value of all the real and personal property in the district at a rate or rates which do not exceed the maximum rate or rates specified in the ballot. All taxes attributable to the operation and maintenance expenses of the district, excluding expenses for an area described in section 48-709, subsection G, shall not exceed an amount equal to thirty cents per one hundred dollars of assessed valuation for all real and personal property in the district, unless a higher rate is approved by a vote of the electors of the district, or by the persons who are qualified to vote as provided in section 48-707, subsection G, voting at an election not less than three years after the date of the formation of the district. The election may be held in conjunction with the formation election. Once approved at an election, the maximum rate remains in effect until increased or decreased at a subsequent election. If a maximum rate is in effect, the district board, on petition of twenty-five per cent of the qualified electors of the district, or by those persons owning twenty-five per cent of the land area who are qualified to vote pursuant to section 48-707, subsection G, shall call an election to reduce the maximum tax rate but not below the lesser of that rate determined by the district board to be necessary to maintain the district's facilities and improvements or the actual rate then in effect. On the presentation to the district board of a petition signed by the owners of a majority of the property in the district, the district board shall adopt a resolution to reduce or eliminate the portion of the tax, beginning the next fiscal year, required for one or more enhanced municipal services specified in the petition. Signatures on a petition to reduce or eliminate a tax are valid for a period of sixty days.

1 B. The district may not levy, other than for the payment of debt
2 service on general obligation bonds, at a rate or rates in excess of the
3 maximum rate then in effect.

4 C. When levying an ad valorem tax, the district board shall make
5 annual statements and estimates of the operation and maintenance expenses of
6 the district, the costs of capital improvements to be financed by the tax
7 levy or levies and the amount of all other expenditures for public
8 infrastructure and enhanced municipal services proposed to be paid from the
9 tax levy or levies and of the amount to be raised to pay general obligation
10 bonds of the district, all of which shall be provided for by the levy and
11 collection of ad valorem taxes on the assessed value of all the real and
12 personal property in the district. The district board shall file the annual
13 statements and estimates with the clerk. The district board shall publish a
14 notice of the filing of the estimate, shall hold hearings on the portions of
15 the estimate not relating to debt service on general obligation bonds and
16 shall adopt a budget. The board, on or before the date set by law for
17 certifying the annual budget of the municipality, shall fix, levy and assess
18 the amounts to be raised by ad valorem taxes of the district and shall cause
19 certified copies of the order to be delivered to the board of supervisors and
20 to the department of revenue. All statutes relating to the levy and
21 collection of general county taxes, including the collection of delinquent
22 taxes and sale of property for nonpayment of taxes, apply to the district
23 taxes provided for by this section.

24 ~~D. A district formed by a county shall not levy an ad valorem tax.~~